

## **Unallowable Costs in Summer Feeding Service Program**

- Bad debts, which are any losses arising from non-collectible accounts and other claims and related costs.
- Repayment of over-claims and other Federal debts.
- Contributions and donations including contingency reserves, USDA donated food, labor, and supplies
- Fines or penalties resulting from violations of, or failure to comply with Federal, State, or local laws and regulations.
- Entertainment and fund raising costs.
- Interest on borrowings, bond discounts, costs of financing and refinancing operations, and legal and professional fees paid in connection therewith.
- Costs resulting from under-recovery of costs under other grant agreements.
- Direct capital expenditures or option to purchase rental costs for:
  - acquisition of land or any interest in land; acquisition or construction of buildings or facilities, or the alteration of existing buildings or facilities; non-expendable equipment of any kind; repairs which materially increase the value or useful life of buildings, facilities, or non-expendable equipment; and other capital assets including vehicles.
- Rental costs for periods beyond the close-out date for program operation.
- Cost for excess meals, i.e., meals in excess of legitimate program adult meals and reimbursable meals, unless specifically approved by the State Agency.
- Any other costs incurred which program officials determine to be in violation of applicable laws or regulations .
- The cost to purchase food (including coffee, etc.) for use outside of the SFSP.
- The cost of meals served to administrative adult personnel, or any other adults that are not in the operation of the food service.
- Meals served in violations of Program requirements; e.g. meals served outside approved serving time, meals or components consumed off-site, second meals served in excess of the 2% tolerance.
- Cost of spoiled or damaged meals.
- For vended sponsors, the cost of meals delivered by a food service management company to a non-approved site, or for meals not delivered within the agreed upon deliver time, meals served in excess of the approved CAP, spoiled or unwholesome meals, or meals which do not meet meal requirements or quality standards.